



STATE OF DELAWARE
THE PUBLIC SERVICE COMMISSION
CANNON BUILDING
861 SILVER LAKE BLVD., SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7529
TELECOPIER: (302) 739-4849

FILING COVER SHEET

1. NAME OF APPLICANT: Delmarva Power & Light Company

2. TYPE OF FILING: RATE CHANGE ☒
FUEL ADJUSTMENT ☐
ADMINISTRATIVE ☐
CPCN ☐
NEW SERVICE OFFERING ☐
OTHER - DESCRIBE _____

IF A TELECOMMUNICATIONS FILING, WHAT TYPE OF SERVICE IS IMPACTED?

BASIC _____ COMPETITIVE _____ DISCRETIONARY _____

3. PROPOSED EFFECTIVE DATE: November 1, 2016

IS EXPEDITED TREATMENT REQUESTED? YES ☐ NO ☒

4. SHORT SUMMARY OF FILING: Annual filing for the Environmental
Surcharge Rate

5. DOES THIS FILING RELATE TO OTHER DOCKETS: YES ☒ NO ☐

IF YES, LIST DOCKET(S) NO(S): 04-053

6. IS PUBLIC NOTICE REQUIRED? YES ☒ NO ☐
IF YES, PLEASE ATTACH COPY OF PROPOSED PUBLIC NOTICE.

7. APPLICANT'S CONTACT PERSON: NAME: Pamela J. Scott
TITLE: Assistant General Counsel
PHONE: (302) 429-3143
FAX: (302) 429-3801
EMAIL: pjscott@pepcoholdings.com
WEBSITE (IF APPLICABLE) _____

8. DID YOU PROVIDE A COMPLETE COPY OF THE FILING TO THE PUBLIC ADVOCATE?
YES ☒ NO ☐ IF YES, WHEN? August 26, 2016

9. FILING FEE ENCLOSED: AMOUNT: \$ 100.00

NOTE: House Bill 681, enacted into law 7/13/98, authorizes the Commission to recover the cost of time spent by in-house staff to process all filings initiated after the date of enactment. You may be required to reimburse the Commission for staff time.

Pamela J. Scott
Assistant General Counsel

302.429.3143 – Telephone
302.429.3801 – Facsimile

U.S. Mail
92DC42
PO Box 6066
Newark, DE 19714-6066

pjscott@pepcoholdings.com

All other deliveries:
92DC42
500 N. Wakefield Drive
Newark, DE 19702

August 26, 2016

FILED VIA DELAFILE

Donna Nickerson, Secretary
Delaware Public Service Commission
Cannon Building, Suite 100
861 Silver Lake Boulevard
Dover, DE 19904

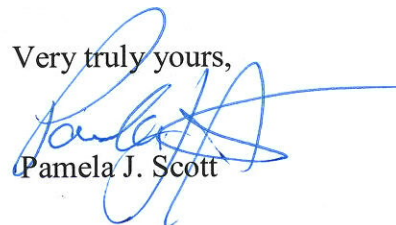
Re: Application for Approval of the 2016-17 Environmental Surcharge Rate

Dear Secretary Nickerson:

Enclosed for filing is Delmarva Power & Light Company's ("Delmarva") Application for Approval of the 2016-17 Environmental Surcharge Rate. Included with the Application is the filing fee of \$100.00.

Should you have any questions or require any additional information, please do not hesitate to contact me.

Very truly yours,



Pamela J. Scott

Enclosures

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY FOR AN) Docket No. 16-__
ANNUAL UPDATE IN THE GAS ENVIRONMENTAL)
SURCHARGE RIDER RATE)
(Filed on August 26, 2016))

**DELMARVA POWER & LIGHT COMPANY'S APPLICATION
FOR AN UPDATE TO THE GAS ENVIRONMENTAL SURCHARGE RIDER**

Delmarva Power & Light Company (Delmarva or the Company) hereby files the annual Application for Approval to update its Gas Environmental Surcharge Rider (ESR) rates pursuant to 26 *Del. C.* §§ 201, 301, 304 and other applicable authorities, including Order No. 6401 in Docket No. 04-53, entered April 20, 2004, to be effective for service rendered on and after November 1, 2016. In support hereof, Delmarva submits the following:

1. Applicant is Delmarva Power & Light Company, 500 North Wakefield Drive, Newark, DE. 19702. Delmarva is a wholly owned subsidiary of Pepco Holdings (PH).
2. Delmarva requests that all communications and notices with respect to this proceeding be made (preferably electronically only) to the following and these individuals be put on the official service list of this proceeding:

<p>Pamela J. Scott, Esquire Delmarva Power & Light Company Assistant General Counsel 500 North Wakefield Drive Newark, DE 19702 (Private Mail Service) or P. O. Box 6066 Mail Stop: 92DC42 Newark, DE 19714-6066 (302) 429-3143 pjscott@pepcoholdings.com</p>	<p>Lisa E. Pfeifer Senior Supervising Scientist Delmarva Power & Light Company 630 Martin Luther King Jr. Boulevard Mail Stop: 88MK64 Wilmington, DE 19801 (302) 429-3545 lisa.pfeifer@pepcoholdings.com</p>
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<p>Susan A. DeVito Delmarva Power & Light Company Director Pricing and Regulatory Services 500 North Wakefield Drive Newark, DE 19702 (Private Mail Service) or P.O. Box 6066 Mail Stop: 92DC56 Newark, DE 19714-6066 (302) 451-5324 susan.devito@pepcoholdings.com</p>	<p>Leonard J. Beck Delmarva Power & Light Company Regulatory Affairs 500 North Wakefield Drive Newark, DE 19702 (Private Mail Service) or P.O. Box 6066 Mail Stop: 92DC56 Newark, DE 19714-6066 (302) 451-5276 Len.beck@pepcoholdings.com</p>
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3. Pursuant to the provisions of Delmarva's Environmental Surcharge Rider tariff clause, the Company requests permission to increase its current Environmental Surcharge Rider rate from a positive surcharge of \$0.00128 per ccf to a positive surcharge rate of \$0.00169 per ccf for all firm delivery service customers. This rate increase is proposed to become effective for service rendered on and after November 1, 2016, and thereafter, until changed by further order of the Delaware Public Service Commission ("Commission").

4. The current Gas Tariff specifies that, "the Company will file with the Commission a copy of the Environmental Surcharge Rider computation at least thirty (30) days prior to the proposed effective date of November 1."

5. Revised tariff leafs and red-line versions setting forth the proposed changes are attached to this Application. Consistent with the approved mechanism established in Docket No. 04-53, Delmarva requests that the Commission permit the proposed changes in ESR rates and the proposed surcharge to become effective for service rendered on and after November 1, 2016, with proration, subject to refund after Commission review.

6. The attached testimony describes the full calculation of the proposed ESR to be effective November 1, 2016. The reasons and basis for the proposed increase in the ESR rate are more fully explained in the testimonies of Susan A. DeVito and Lisa E. Pfeifer.

7. For a typical space heating residential customer using 120 ccf of gas in a winter month, the effects of the proposed Gas Environmental Surcharge Rider Rate change will be an increase in the monthly winter bill of about \$0.05.

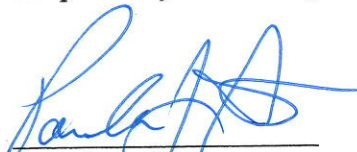
8. A proposed form of order is attached.

WHEREFORE, Delmarva Power & Light Company respectfully requests that:

- A. The Commission accept its Application for filing and schedule a hearing thereon; and
- B. The Commission issue an order permitting the rates to go into effect on November 1, 2016, with proration, subject to further proceedings and potential refunds; and
- C. Proper notice of the hearing be published; and
- D. The Commission ultimately approve the proposed rates reflected in the tariff leafs as filed by the Company.

Respectfully submitted,

By:

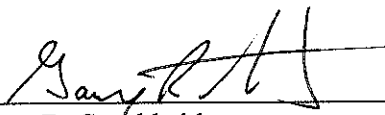


Pamela J. Scott
Assistant General Counsel
Delmarva Power & Light Company
500 North Wakefield Drive
Mailstop 92DC42
Newark, DE 19702
(302) 429-3143

Dated: August 26, 2016

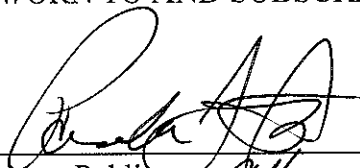
STATE OF DELAWARE)
) SS.
COUNTY OF NEW CASTLE)

On this 24th day of August, 2016, personally came before me, the subscriber, a Notary Public in and for the state and county aforesaid Gary R. Stockbridge, Vice President an officer of Delmarva Power & Light Company, a corporation existing under the laws of the State of Delaware, party to this Application, known to me personally to be such, and acknowledged this Application to be his act and deed and the act and deed of such corporation, that the signature of such Vice President is in his own proper handwriting, and that the facts set forth in this Application are true and correct to the best of his knowledge and belief.



Gary R. Stockbridge
Vice President

SWORN TO AND SUBSCRIBED before me this 24th day of August 2016.



Notary Public *Attorney-at-Law (DE) #2413*
My Commission expires: N/A

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION)	
OF DELMARVA POWER & LIGHT COMPANY)	
FOR AN ANNUAL UPDATE IN THE GAS)	PSC DOCKET NO. 16-__
ENVIRONMENTAL SURCHARGE RIDER RATE)	
(FILED AUGUST 26, 2016))	

ORDER NO. _____

AND NOW, this ____ day of _____, 2016, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on August 26, 2016, Delmarva Power & Light Company ("Delmarva" or "Company") filed the above-captioned application (the "Application") with the Commission seeking approval to increase the rate for its Environmental Surcharge Rider ("ESR") under the process approved in PSC Order No. 6401 (Apr. 20, 2004) in Docket No. 04-53; and

WHEREAS, in its Application, Delmarva seeks to increase its current ESR rate from a positive surcharge of \$0.00128 per ccf to a positive surcharge rate of \$0.00169 per ccf for all firm delivery service customers; and

WHEREAS, pursuant to 26 *Del. C.* §§304(a) and 306(a)(2), upon the filing of a petition for a proposed change to any rate, the Commission may determine that a portion of such change shall become effective not later than 60 days after the filing of a petition on a temporary basis pending the final decision of the Commission; and

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Pursuant to 26 *Del. C.* §§304(a) and 306(a)(2) and the process set forth by the Commission in Order No. 6401 (April 20, 2004), the proposed increase in the current ESR rate from a positive surcharge of \$0.00128 per ccf to a positive surcharge rate of \$0.00169 per ccf for all firm delivery service customers is hereby permitted to become effective for gas usage on and after November 1, 2016, with proration, and subject to refund pending further review and final decision by the Commission.

2. The Commission shall not assign this docket to a Hearing Examiner to conduct an evidentiary hearing, but, rather, shall conduct an evidentiary hearing on the Application during its regularly-scheduled meeting on _____, at ____ p.m. at 861 Silver Lake Boulevard, 1st Floor Hearing Room, Cannon Building, Dover, DE 19904.

3. As outlined in the form of Public Notice, interested persons or entities are afforded the opportunity to file written comments or objections to the proposed change in the ESR rate. Such written comments or objections must be filed *on or before* _____, 2016. In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing on _____, 2016.

4. Pursuant to 26 *Del. C.* § 502 and 29 *Del. C.* ch. 101, the Commission designates Hearing Examiner _____ for the sole purpose of considering any petitions for intervention that may be filed in this docket.

5. Delmarva Power & Light Company shall provide public notice of the filing of its Application, this Order and the date of the evidentiary hearing by publishing notices in the form attached hereto as Exhibit "A" in the legal classified section of The News Journal

newspaper in two-column format, outlined in black, on _____. Proof of such publication is to be provided to the Commission as soon as practical but not later than the commencement of the evidentiary hearing concerning this matter.

6. The deadline for intervention pursuant to 26 *Del. Admin C.* §1001-2.9 shall be _____. Petitions for intervention that are not received by the Commission **on or before** _____, 2016, will not be granted unless good cause is shown. In addition, any intervenor wishing to oppose the Application must e- file written prefiled testimony with the Commission pursuant to the Rules of Practice and Procedure of the Commission (26 *Del. Admin C.* §1001-6.4), on or before _____, 2016. Copies of such testimony must be served on the following persons:

Robert Willard, Esquire Deputy Attorney General Public Service Commission 820 N. French Street Wilmington, DE 19801 (302) 577-8637 robert.willard@state.de.us	Regina A. Iorri, Esquire Deputy Attorney General Division of the Public Advocate 820 N. French Street 6th Floor Wilmington, DE 19801 (302) 577-8159 regina.iorri@state.de.us
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<p>Pamela J. Scott, Esquire Delmarva Power & Light Assistant General Counsel 500 North Wakefield Drive Newark, DE 19702 (Private Mail Service) or P. O. Box 6066 Mail Stop: 92DC42 Newark, DE 19714-6066 (302) 429-3143 <pjscott@pepcoholdings.com< p=""></pjscott@pepcoholdings.com<></p>	<p>Malika Davis Delaware Public Service Commission 861 Silver Lake Blvd., Suite 100 Dover, DE 19904 (302) 736-7521 malika.davis@state.de.us</p>
<p>Connie McDowell Delaware Public Service Commission 861 Silver Lake Blvd., Suite 100 Dover, DE 19904 (302) 736-7535 connie.mcdowell@state.de.us</p>	
<p>Leonard J. Beck Delmarva Power & Light Company Regulatory Affairs 500 North Wakefield Drive Newark, DE 19702 (Private Mail Service) or P.O. Box 6066 Mail Stop: 92DC56 Newark, DE 19714-6066 (302) 451-5276 Len.beck@pepcoholdings.com</p>	<p>Lisa E. Pfeifer Senior Supervising Scientist Delmarva Power & Light Company 630 Martin Luther King, Jr. Boulevard Mail Stop 88MK64 Wilmington, DE 19801 (302) 429-3545 lisa.pfeifer@pepcoholdings.com</p>
<p>David Bonar Public Advocate 29 South State Street Dover, DE 19901 (302) 241-2550 david.bonar@state.de.us</p>	<p>Susan A. DeVito Delmarva Power & Light Company Directory Pricing and Regulatory Services 500 North Wakefield Drive Newark, DE 19702 (Private Mail Service) or P.O. Box 6066 Mail Stop: 92DC56 Newark, DE 19714-6066 (302) 451-5324 susan.devito@pepcoholdings.com</p>

Any written pre-filed testimony sent by an intervenor that is not received by the Commission *on or before* _____, 2016 shall not be considered.

7. Delmarva Power & Light Company is hereby put on notice that it will be charged the costs incurred by the Commission Staff and the Division of the Public Advocate in connection with this proceeding under the provisions of 26 *Del. C.* §114(b)(1).

8. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Donna Nickerson
Secretary

EXHIBIT "A"

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR AN ANNUAL UPDATE IN THE GAS) PSC DOCKET NO. 16-____
ENVIRONMENTAL SURCHARGE RIDER RATE)
(FILED AUGUST 26, 2016))

PUBLIC NOTICE

**OF UPDATE TO DELMARVA POWER AND LIGHT COMPANY'S GAS
ENVIRONMENTAL SURCHARGE RIDER RATE**

**TO: ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER & LIGHT
COMPANY, AND OTHER INTERESTED PERSONS**

The Delaware Public Service Commission (the "Commission") will conduct a public comment session and evidentiary hearing concerning the above-captioned case (as further explained below) at the following time and location:

Date & Time

Location

**Hearing Room
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building
Dover, DE 19904**

DP&L's Environmental Surcharge Rider Rate, PSC Docket No. 16-

Pursuant to the environmental remediation recovery mechanism approved in PSC Order No. 6401 (Apr. 20, 2004), in Docket No. 04-53, Delmarva Power & Light Company ("Delmarva" or the "Company"), has filed an application (the "Application") with the Commission proposing an increase in the Environmental Surcharge Rider ("ESR") from a positive surcharge of \$0.00128 per ccf to a positive surcharge rate of \$0.00169 per ccf for all firm delivery service customers, with the increased rate to become effective with usage on

and after November 1, 2016, with proration, subject to modification and refund after an evidentiary hearing.

For a typical residential space heating customer using 120 ccf of gas in a winter month, the effect of the proposed ESR rate change will be \$0.05 on the monthly winter bill. The effect of the increase on commercial and industrial customers will depend on their usage.

By Order No. _____ dated _____, 2016, the Commission permitted the proposed rates to become effective with usage on and after November 1, 2016, with proration, subject to modification and refund after an evidentiary hearing.

On _____, 2016, starting at 1:00 p.m., the Commission will consider whether to grant Delmarva's Application. The evidentiary hearing will be held at the Commission's office located at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904. The Commission will render a decision based upon the evidence presented to it at this evidentiary hearing.

Interested persons or entities are afforded the opportunity to file written comments or objections to the proposed change in the ESR rate. Such written comments or objections must be filed *on or before* _____, 2016. Please send these written comments to the Commission's address listed above and note the "attention to" as "PSC Docket No. 16-_____." Written comments may also be submitted electronically at <https://delafile@state.delaware.gov/>.

In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing on _____, 2016.

If you wish to formally participate as a party in this docket, with the right to submit evidence and to be represented by counsel, you must file with the Commission a written petition asking for leave to intervene in this docket in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 Del. Admin C. §1001-2.9) *on or before* _____, 2016. All such petitions should be e-filed according to the Rules. Petitions for intervention that are not received by the Commission *on or before* _____, 2016, will not be granted unless good cause is shown. Petitions received thereafter will not be considered except for good cause shown. If intervention status is granted, any intervenor wishing to oppose the Application shall file written prefiled testimony with the Commission *on or before* _____, 2016. Any submissions sent by an intervenor that are not received by the Commission *on or before* _____, 2016

will not be considered. Such written submissions shall also be served on the persons identified in Order No. ____ in this docket dated _____.

You are invited to review Delmarva's Application and supporting documents to determine how your interests may be affected. You may review documents posted on the Commission's website at <https://delafile@state.de.gov>. If you would like to review documents at the Commission's offices, please contact Donna Nickerson at donna.nickerson@state.de.us to arrange a time for your review. You may also review copies of the Company's Application and supporting documents at the office of the Division of the Public Advocate located at 29 South State Street, Dover, DE 19901. Please call (302) 241-2545 to arrange for a time to review the documents at that location.

If you wish to request copies of the documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail/php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website at <https://delafile.delaware.gov>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

Any individual with a disability desiring to participate in these proceedings or to review the filings should contact the Commission to discuss any auxiliary aids or services needed. The Commission Staff can also provide additional information about this docket. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to psc@state.de.us; include "PSC Docket No. 16-_____" as the subject.

Tariff Changes

RATES AND CHARGES
CORE SALES RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>Residential Gas Sales Service ("RG")</u>		
Customer Charge	\$11.85	per month
Delivery Charge	\$0.52212	per CCF
Space Heating Delivery Charge 1/ Over 50 CCF	\$0.41896	per CCF
Environmental Surcharge Rider	\$0.00169	per CCF
Gas Cost Rate (GCR)	\$0.39467	per CCF
<u>General Gas Sales Service ("GG")</u>		
Customer Charge	\$35.73	per month
Delivery Charge		
First 750 CCF	\$0.43373	per CCF
Over 750 CCF	\$0.32397	per CCF
Environmental Surcharge Rider	\$0.00169	per CCF
Gas Cost Rate (GCR)	\$0.39467	per CCF
<u>Gas Lighting Sales Service ("GL")</u>		
(Estimated Usage - 15 CCF per month)		
Monthly Charge	\$ 7.34	per gas light
Gas Cost Rate (GCR)	\$ 5.92	per gas light
<u>Medium Volume Gas Sales Service ("MVG")</u>		
Customer Charge	\$700.98	per month
Demand Charge	\$ 16.611	per MCF of Billing MDQ
Delivery Charge 2/	\$0.53300	per MCF
Environmental Surcharge Rider	\$0.01686	per MCF
Gas Cost Rate (GCR)	\$3.9467	per MCF
<u>Large Volume Gas Sales Service ("LVG")</u>		
Customer Charge	\$1,050.48	per month
Demand Charge	\$10.229	per MCF of Billing MDQ
Delivery Charge 2/	\$0.12815	per MCF
Environmental Surcharge Rider	\$0.01686	per MCF
Gas Demand Cost Rate(DCR)	\$1.7022	per MCF
Gas Commodity Cost Rate (CCR) 2/	Varies	per MCF

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ccf for the billing months of October through May, inclusive.
2/ All LVG and "Electing" MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR listed here.

Order No. Filed: August 26, 2016
Docket No. Effective with Usage On and After November 1, 2016

Proposed

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION

BASE RATE

BASIS

Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production
("LVG-QFCP-RC")

Customer Charge	\$1,128.89	per month
Demand Charge	\$7.170	per MCF of Billing MDQ
Capital Recovery Charge	Varies	per Customer's Executed Service Agreement
Environmental Surcharge Rider	\$0.01686	per MCF
Gas Cost Rate (GCR) Commodity Charge 1/	Varies	per MCF

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

- 1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York price plus any premiums incurred by Delmarva to provide this service.

CORE TRANSPORTATION RATE LEAF

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.

RATES AND CHARGES
CORE SALES RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>Residential Gas Sales Service ("RG")</u>		
Customer Charge	\$11.85	per month
Delivery Charge	\$0.52212	per CCF
Space Heating Delivery Charge 1/ Over 50 CCF	\$0.41896	per CCF
Environmental Surcharge Rider	\$0.00128 <u>00169</u>	per CCF
Gas Cost Rate (GCR)	\$0.39467	per CCF
<u>General Gas Sales Service ("GG")</u>		
Customer Charge	\$35.73	per month
Delivery Charge		
First 750 CCF	\$0.43373	per CCF
Over 750 CCF	\$0.32397	per CCF
Environmental Surcharge Rider	\$0.00128 <u>00169</u>	per CCF
Gas Cost Rate (GCR)	\$0.39467	per CCF
<u>Gas Lighting Sales Service ("GL")</u>		
(Estimated Usage - 15 CCF per month)		
Monthly Charge	\$ 7.34	per gas light
Gas Cost Rate (GCR)	\$ 5.92	per gas light
<u>Medium Volume Gas Sales Service ("MVG")</u>		
Customer Charge	\$700.98	per month
Demand Charge	\$ 16.611	per MCF of Billing MDQ
Delivery Charge 2/	\$0.53300	per MCF
Environmental Surcharge Rider	\$0.01282 <u>01686</u>	per MCF
Gas Cost Rate (GCR)	\$3.9467	per MCF
<u>Large Volume Gas Sales Service ("LVG")</u>		
Customer Charge	\$1,050.48	per month
Demand Charge	\$10.229	per MCF of Billing MDQ
Delivery Charge 2/	\$0.12815	per MCF
Environmental Surcharge Rider	\$0.01282 <u>01686</u>	per MCF
Gas Demand Cost Rate (DCR)	\$1.7022	per MCF
Gas Commodity Cost Rate (CCR) 2/	Varies	per MCF

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ccf for the billing months of October through May, inclusive.
2/ All LVG and "Electing" MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR listed here.

Order No. ~~8899~~ Filed: ~~July 14~~August 26, 2016
Docket No. ~~16-0650~~ Effective with Usage On and After ~~July 16~~November 1, 2016

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Filed in Compliance with Order No. 8899 in Docket No. 16-0650
Proposed

Delmarva Power & Light Company
P.S.C. Del. No. 5 – Gas

Leaf No.: 37a
Revision: ~~Fifteenth~~Sixteenth
Revised: ~~July 14~~August 26, 2016

RATES AND CHARGES
CORE SALES RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production</u> <u>("LVG-QFCP-RC")</u>		
Customer Charge	\$1,128.89	per month
Demand Charge	\$7.170	per MCF of Billing MDQ
Capital Recovery Charge	Varies	per Customer's Executed Service Agreement
Environmental Surcharge Rider	\$0.012820 <u>1686</u>	per MCF
Gas Cost Rate (GCR) Commodity Charge 1/	Varies	per MCF

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

- 1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York price plus any premiums incurred by Delmarva to provide this service.

Order No. ~~8899~~
Docket No. ~~16-0650~~

Filed: ~~July 14~~August 26, 2016
Effective with Usage On and After ~~July 16~~November 1, 2016

~~Filed in Compliance with Order No. 8899 in Docket No. 16-0650~~
Proposed

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Briefing Sheet

Annual Application for the Gas Environmental Surcharge Rider
PSC Docket No. 16-____
Briefing Sheet

SUBJECT:

Delmarva Power & Light Company's Annual Application for the Gas Environmental Surcharge Rider filed August 26, 2016.

RATE CHANGE SOUGHT:

The Company seeks approval to increase its current Environmental Surcharge Rider rate (ESR) at a positive surcharge of \$0.00128 per CCF to \$0.00169 per CCF for all firm delivery service customers. The increase is to take effect for service rendered on and after November 1, 2016.

REASONS FOR FILING:

This filing is the annual Application to review the Gas ESR rate pursuant the provisions in the Settlement Agreement in Docket No. 03-127, approved on December 9, 2003, by Order No. 6327, to establish the Gas Environmental Surcharge mechanism.

EFFECTIVE DATE:

The proposed rate change is to be effective for service rendered on or after November 1, 2016, subject to refund, and pending approval of the Commission.

TEST YEAR:

N/A - The Environmental Cost Year in this filing is June 1, 2015 through May 31, 2016. The Recovery Year in this filing is November 1, 2016 through October 31, 2017.

ELEMENTS OF RATE CHANGE:

The new rate was calculated in accordance with the methodology approved in PSC Docket No. 04-53 to recover costs associated with the clean up of the Manufactured Gas Plant site in Wilmington, Delaware. A rate increase is requested in this filing.

IMPACT OF DIFFERENT CLASSES:

The current Environmental Surcharge Rider rate increases to a positive surcharge of \$0.00169 per CCF for all firm delivery service customers.

CUSTOMER IMPACT

The effect on a residential space heating customer using 120 ccf in a Winter month would be an increase of \$0.05 or a 0.04 % increase in their total bill.

Testimony

DELMARVA POWER & LIGHT COMPANY
TESTIMONY OF LISA E. PFEIFER
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE
CONCERNING THE ANNUAL GAS ENVIRONMENTAL
SURCHARGE RIDER (ESR) RATE REVIEW
PSC DOCKET NO. 16-_____

1. Q: Please state your name, title and business address.

A: My name is Lisa E. Pfeifer, Senior Supervising Scientist, testifying on behalf of Delmarva Power & Light Company (Delmarva or the Company). My office is located at 630 Martin Luther King Jr. Blvd, Wilmington, DE 19801.

2. Q: What is your educational and professional background and experience?

A: I hold a Bachelors of Arts degree in Environmental Sciences from Alfred University, a Masters of Environmental Management from Duke University and a Masters of Business Administration from Drexel University. I began my employment with Delmarva Power/Conectiv in 2007, working in the Conectiv Energy Environmental Engineering Department as an Environmental Compliance Specialist. My primary responsibilities were to manage the state and federal Spill Prevention Control and Countermeasure (SPCC) program for electric generation peaking units, manage the generation fleet aboveground storage tank compliance program, track new environmental regulations and participate as a team member in the environmental permitting of new power plants.

In 2010, following the sale of the Conectiv Energy Generation Assets by Pepco Holdings, I moved to the Corporate Environmental Services Department at Pepco

1 Holdings (PHI) (Delmarva's parent Company, which is now an Exelon Company)
2 with a focus on environmental compliance and site remediation for legacy
3 Conectiv generation properties. In 2014, I was promoted into my current
4 position as a Senior Supervising Scientist of the Environmental Services
5 Technical Services Group with the responsibility of managing major programs in
6 the Atlantic City Electric, Delmarva Power and Pepco regions including: site
7 remediation, PHI's Environmental Management System program, Greenhouse
8 Gas Reporting, PHI Corporate Sustainability reporting and SPCC program. In
9 2015, I assumed responsibility for managing the WCGS-S project.

10 Prior to my employment at Delmarva Power, I worked as an
11 Environmental Scientist at a major oil company as well as an Environmental
12 Compliance Specialist at an Environmental Consulting firm providing
13 environmental technical and regulatory support to major industrial clients.

14 **3. Q: Have you previously testified before the Delaware Public Service**
15 **Commission?**

16 **A:** No, I have not.

17 **4. Q: What is the purpose of your testimony?**

18 **A:** The purpose of my testimony is to provide an update of the Company's
19 remediation activities for the Manufactured Gas Plant site in Wilmington, and
20 discuss the sale of the Wilmington Coal Gas South Site on July 13, 2016. I will
21 discuss the expenses incurred in the Environmental Cost Year (ECY) for the
22 period June 1, 2015 through May 31, 2016, and provide details of the work
23 related to those expenses. This testimony was prepared by me or under my direct

1 supervision. The source documents for my testimony are Company records. I
2 also rely on my personal knowledge and experience.

3 **5. Q: Which sites have been part of an environmental remediation in Delaware for**
4 **Delmarva's manufactured gas plants?**

5 **A:** Delmarva Power has two former Manufactured Gas Plant locations in
6 Delaware. For remediation purposes, the Delaware Department of Natural
7 Resources and Environmental Control (DNREC) divided the first of the two
8 locations (the Wilmington Manufactured Gas plant) into three sites. The location
9 of the second plant is in New Castle, Delaware, and is not currently being
10 remediated. The three DNREC designated sites in Wilmington include:
11 Wilmington Coal Gas North Site, Wilmington Coal Gas South Site, and the
12 Public Works Yard. These otherwise contiguous plant sites were separated by
13 South Madison and Beech Streets prior to the recent redevelopment of the area as
14 part of the Wilmington Riverfront. The Wilmington Coal Gas North Site property
15 was transferred to the Delaware Department of Transportation (DelDOT) on
16 March 15, 2006. The Public Works Yard was transferred to the City of
17 Wilmington on August 14, 1984. For the ECY June 1, 2015 to May 31, 2016,
18 expenses were only incurred in connection with the remediation of the
19 Wilmington Coal Gas South Site as set forth in Schedule SAD-2.

20 **6. Q: What types of costs make up the expenses listed on Schedule SAD-2?**

21 **A:** The expenses listed on Schedule SAD-2 are the charges billed to
22 Delmarva by AECOM, Inc., the engineering and environmental consulting firm
23 retained by Delmarva to assist in the remediation of the Wilmington Coal Gas

1 South Site. The work performed during the ECY was associated with field work
2 to demarcate areas of in-situ stabilization (ISS) on the site, as well as revisions to
3 the Long Term Stewardship (LTS) Plan for approval by DNREC. The total
4 amount invoiced by AECOM and paid by Delmarva from June 1, 2015 through
5 May 31, 2016, was \$2,515.36. These charges were for the following: travel
6 expenses and field work to mark out areas of ISS, and LTS Plan revisions.

7 **7. Q: Please address any changes in ownership of the Wilmington Coal Gas South**
8 **Site since the last application.**

9 **A:** On July 13, 2016, Delmarva sold the property designated as the Wilmington
10 Coal Gas South Site to the Riverfront Development Corporation of Wilmington.

11 **8. Q: When does Delmarva expect all remediation work to be completed and what**
12 **is the current estimate of remaining remediation expenses for the**
13 **Wilmington Coal Gas South Site?**

14 **A:** All remediation work required by DNREC in the Remedial Action Work
15 Plan was completed as of July of 2013, with the costs included in the 2013 ESR
16 filing. Delmarva previously estimated that it would incur approximately
17 \$370,000 in expenses over the next 10 years to finalize and implement the site
18 LTS Plan, which includes groundwater monitoring and cap maintenance
19 activities as required and approved by DNREC. However, as of July 13, 2016,
20 with the sale of the Wilmington Coal Gas South Site to the Riverfront
21 Development Corporation, all LTS responsibilities for the site were transferred
22 to the buyer per the terms of the Agreement of Sale. As a result, Delmarva will

1 no longer retain environmental liability for the site and has no further
2 responsibility for the groundwater monitoring and cap maintenance activities.

3 **9. Q: What is the current status of the project with the Department of Natural**
4 **Resources and Environmental Control (DNREC)?**

5 **A:** Delmarva submitted the LTS Plan to DNREC on November 26, 2014.

6 The LTS Plan identifies the ongoing maintenance activities required to ensure the
7 long term effectiveness of the remediation approved by DNREC. The LTS Plan
8 includes routine sampling of site ground water monitoring wells, maintenance of
9 the asphalt and vegetative cap, fencing (engineering controls) and recordation of
10 deed restrictions against the property that, among other things, requires DNREC
11 notification and approval, when necessary, for any potential future earth
12 disturbing activities at the site. DNREC approved the LTS Plan on January 30,
13 2015.

14 As part of the LTS Plan, an Environmental Covenant for the property was
15 negotiated between Delmarva and DNREC. DNREC issued a Certificate of
16 Completion of Remedy for the site on April 29, 2016, thus recognizing the
17 completion of all work required to remediate the environmental conditions at the
18 site. Delmarva sold the site on July 13, 2016, and divested itself of the ongoing
19 obligations for Long Term Stewardship as part of the Agreement of Sale.

20 **10. Q: Does this conclude your testimony?**

21 **A:** Yes.

1 **DELMARVA POWER & LIGHT COMPANY**
2 **TESTIMONY OF SUSAN A. DEVITO**
3 **BEFORE THE PUBLIC SERVICE COMMISSION**
4 **OF THE STATE OF DELAWARE**
5 **CONCERNING THE ANNUAL GAS ENVIRONMENTAL**
6 **SURCHARGE RIDER (ESR) RATE REVIEW**
7 **PSC DOCKET NO. 16-_____**
8

9 **1. Q: Please state your name, occupation and business address.**

10 A: My name is Susan A. DeVito, CPA, Director Pricing and Regulatory
11 Services, Pepco Holdings, of which Delmarva Power & Light Company
12 (Delmarva or the Company) is a subsidiary. My office is located at 500 North
13 Wakefield Drive, Newark, Delaware 19714.

14 **2. Q: What is your educational and professional background and experience?**

15 A: I graduated from Widener University with a Bachelor of Science in
16 Accounting. I am a licensed CPA in the Commonwealth of Pennsylvania. I
17 started working for Pepco Holdings in 2006 as the Manager of Revenue
18 Accounting responsible for accounting for all regulated revenue of Pepco
19 Holdings and its regulated subsidiaries. In 2010, I became the Manager of Credit,
20 Collection and Remittance for Atlantic City Electric and Delmarva. In this role I
21 was responsible for all credit activities related to the collection of customer
22 accounts receivable. In 2012, I became the Manager of Regulatory Compliance
23 Pricing where I oversee all of the regulatory filings for Standard Offer Service
24 Programs, the Gas Cost Rate, Demand Side Management, Environmental

1 Surcharge and other related activities. After the merger with Exelon, my title was
2 changed to Director, Pricing and Regulatory Services.

3 Prior to joining Pepco Holdings, I was the Controller for a Manufacturing
4 Company and also held a position as an Accounting Manager for a large
5 integrated Health Delivery System.

6 **3. Q: Have you previously testified before the Delaware Public Service**
7 **Commission?**

8 **A:** Yes. I provided testimony in the following Dockets:

9 Environmental Surcharge Rider - PSC Docket Nos. 13-348 and 14-296, Gas Cost
10 Rate – PSC Docket Nos. 13-349F and 14-295F, Balancing Fee in PSC Docket No.
11 15-0671, and in the 2013 annual compliance filing of Standard Offer Service in
12 PSC Docket No. 04-391.

13 **4. Q: What is the purpose of your testimony?**

14 **A:** The purpose of my testimony is to support Delmarva's annual application
15 to review the Gas Environmental Surcharge Rider Rate (ESR Rate). I will
16 provide detail as to the calculation of the proposed ESR Rate increase. I will also
17 discuss the sale of the Wilmington Coal Gas South Site. This testimony was
18 prepared by me or under my direct supervision. The source documents for my
19 testimony are Company records. I also rely on my personal knowledge and
20 experience.

1 **5. Q: What rate is Delmarva proposing to be effective on November 1, 2016, and**
2 **how does this compare with the current rates?**

3 **A:** Delmarva requests that the proposed ESR Rates, as required by the Gas
4 Service Tariff, be approved effective with usage on and after November 1, 2016.
5 Delmarva's proposed ESR Rates for the 2016/2017 period are shown below.
6 Compared to the ESR Rates presently in effect, Delmarva is asking for a
7 \$0.00041/CCF increase in the rate from \$0.00128/CCF to \$0.00169/CCF or
8 \$0.01282/MCF to \$0.01686/MCF for the average residential customer. As
9 detailed later herein, for Delmarva's typical residential customer, this will cause
10 their monthly winter heating bill to increase by \$0.05.

11 **ENVIRONMENTAL SURCHARGE RIDER RATE**

Current	Proposed	Change
\$0.00128/CCF	\$0.00169/CCF	\$0.00041/CCF
\$0.01282/MCF	\$0.01686/MCF	\$0.00404/MCF

12
13 **6. Q: Has Delmarva proposed any Rate Structure Redesign of its ESR Rate in this**
14 **proceeding?**

15 **A:** No. Delmarva has not proposed any rate structure redesign in this filing.
16 Delmarva has calculated the ESR Rate using the same methodology approved by
17 the Commission in Order No. 6401 in Docket No. 04-53. Due to the sale of the
18 Wilmington Coal Gas South Site on July13, 2016, no future costs will be incurred
19 related to the remediation of this site. Therefore, the Company is proposing to
20 consolidate the small remaining balances in the 2019 recovery period (\$190.70 +

1 \$481.43) and the 2020 recovery period (\$503.08). (See SAD-5 for the
2 calculations.) This remaining balance of \$1,175.21 will be added in the 2018
3 recovery period. By doing so, the Company eliminates the need to make annual
4 filings in the years 2019 and 2020, thus saving ratepayers the expense associated
5 with such filings. The effect of the change would also shorten the amortization
6 recovery periods from 5 years to 4 years and 3 years, beginning 11/1/2019 and
7 11/1/2020. The Company would propose to recover those expenses beginning
8 11/1/2018 in the amount of \$1,175.21.

9 **7. Q: Please discuss the sale of the Wilmington Coal Gas South Site.**

10 **A.** On July 13, 2016, Delmarva sold the Wilmington Coal Gas South Site to
11 the Riverfront Development Corporation for \$4,390,000. The Company does not
12 expect to have any future remediation expenses for this property as the Riverfront
13 Development Corporation has assumed all such responsibility and liability with
14 the acquisition of the property. The Company proposes below the line treatment
15 for the gain on the sale of the property as the Company has relieved the customers
16 of any future obligation concerning environmental expenses. In addition,
17 customers did not pay for the acquisition of the property as it was held as a
18 generation asset and was moved to non-utility property in 2015.

19 **8. Q: Please explain the background of the ESR Rate.**

20 **A:** In Docket No. 03-127, Delmarva filed for a change in Gas Base Rates in
21 March 2003. In that proceeding, Delmarva had requested recovery of certain
22 expenses associated with environmental remediation of its Manufactured Gas
23 Plant sites. The parties entered into a Settlement in Docket No. 03-127, which

1 was approved on December 9, 2003 by Commission Order No. 6327. That
2 Settlement Agreement contained a provision which allowed Delmarva to file for a
3 separate mechanism to recover appropriate costs associated with the remediation
4 of the Manufactured Gas Plant sites. Section II. A. 2. of the approved Settlement
5 Agreement provides as follows:

6 The Parties agree that, should the Commission approve this
7 Settlement, the Company will file an application for a change in
8 its tariffs to implement an environmental remediation surcharge,
9 equivalent to the mechanism that Chesapeake Utilities currently
10 has in effect. The Company will file this request separately,
11 including (actual incremental "out-of-pocket" expenses as
12 described in Staff witness Henkes' testimony, Ex. 19 at 63)
13

14 Delmarva filed its application to establish the Gas Environmental
15 Surcharge mechanism on February 13, 2004, in Docket No. 04-53, which was
16 approved by PSC Order No. 6372 dated February 24, 2004. The Company has
17 been filing an annual application since that time for the ESR Rate using the same
18 methodology. A complete summary of the recovery requests and results from
19 2003 through 2016 are contained in schedule SAD-1.

20 **9. Q: Please explain the outcome of Delmarva's most recent annual Environmental**
21 **Surcharge Filing in Docket No. 15-1333.**

22 **A:** In its application, Delmarva filed the annual Gas ESR Rate to become
23 effective November 1, 2015, coincident with the effective date of Delmarva's
24 annual GCR filing. Delmarva recommended that the Gas ESR Rate level be
25 increased. The Commission Staff and Division of the Public Advocate (DPA)
26 reviewed Delmarva's testimony and supporting documentation, performed their
27 annual audit of related expenses and determined that the information provided

1 was accurate. The parties then proceeded to execute a Settlement Agreement
2 whereby the rates proposed were accepted, as filed, as being just and reasonable
3 and in the public interest. On November 24, 2015, by Order No. 8818, the
4 Commission approved the Settlement Agreement resulting in an increase to the
5 Environmental Surcharge Rider Rate of \$0.00006/CCF, from \$0.00122/CCF to
6 \$0.00128/CCF, effective November 1, 2015 through October 31, 2016, which
7 caused a typical customer monthly heating bill to increase by \$0.01.

8 **10. Q: Please review the level of cost recovery Delmarva is requesting in this**
9 **filing.**

10 **A:** Schedule SAD-2 contains a listing of the Environmental Expenses that
11 were incurred during the Environmental Cost Year (ECY). Per Delmarva's Gas
12 Tariff Leaf No. 80, the ECY is defined as: "the time period over which
13 environmental costs are incurred and any payments from other parties are netted
14 against those costs. The ECY will include actual data recorded for the year.
15 Recovery of environmental costs for an ECY will begin with the Recovery Year
16 that starts immediately following the end of the ECY." For the purposes of this
17 Application, the ECY runs from June 1, 2015 through May 31, 2016. Delmarva
18 incurred costs of \$2,515.36 during this period. Recovery of the environmental
19 costs for an ECY will begin with the Recovery Year that starts immediately
20 following the end of the prior ECY.

21 **11. Q: What types of costs are to be recovered under this ESR?**

22 **A:** Per Delmarva's Gas Tariff Leaf No. 79, the costs to be recovered by this
23 Rider are defined as follows:

1 “Applicable environmental costs are those incurred as a result of, but are
2 not limited to investigating, testing, monitoring, remediation, land
3 acquisition, legal costs related directly to the site remediation, and disposal
4 sites. These costs must be actually incurred, incremental “out-of-pocket”
5 remediation related expenses and must exclude internal costs, such as
6 internal labor and overhead expenses.”
7

8 The total costs incurred in the ECY of \$2,515.36 meet the requirements of
9 the above definition.

10 **12. Q: What type of internal review procedures does Delmarva employ with respect**
11 **to processing environmental invoices and tracking costs?**

12 **A:** All environmental cost invoices submitted to Delmarva are reviewed by
13 the individual who has responsibility for monitoring the environmental activities
14 at a particular Manufactured Gas Plant site. The reviewed invoices are then
15 submitted to an Environmental Manager for approval. Invoices for outside legal
16 services, when incurred, are reviewed and approved by the Legal Department.
17 Original invoice documents are retained by the approving department.

18 Separate accounting orders have been established to track “out of pocket”
19 expenses eligible for inclusion in the Gas Environmental Surcharge Rider Rate.
20 Periodically, both during the ECY and in preparation for the annual filing, a
21 Pepco Holdings Senior Business Analyst extracts computerized accounting
22 system data which documents charges to the appropriate orders. The charges are
23 reviewed by the Senior Business Analyst (or the Manager of Utility Operations
24 Finance in the Senior Business Analyst’s absence) and the Manager of Gas
25 Operations and Planning. If any of the charges, in their judgment, are not properly
26 includable as “out of pocket” expenditures then a correction process is initiated
27 through the involved department. The final ECY report is run by the Senior

1 Business Analyst, reviewed and compiled for approval by the Manager of Gas
2 Operations and Planning as source information for Schedule SAD-2. Printed
3 copies of the included invoices are held by the Senior Business Analyst and are
4 available for review. This year, all invoices and backup materials were
5 electronically submitted to Commission Staff and DPA for review on August 9,
6 2016. As of the date of this filing, Delmarva has not received the results of the
7 annual audit performed by Commission Staff and DPA.

8 **13. Q: Please describe in detail your calculations on Schedules SAD-2 and SAD-3.**

9 **A:** As stated earlier, Schedule SAD-2 includes costs incurred during the ECY
10 of June 1, 2015 through May 31, 2016 in the amount of \$2,515.36.

11 Schedule SAD-3 outlines the recovery schedule of the applicable environmental
12 costs less the DE PSC Assessment refund, and demonstrates the amortization of
13 the costs over five years while subtracting out the deferred tax benefit on behalf of
14 customers. As illustrated on Schedule SAD-3, amortizing the current costs over
15 five years, offset by the deferred tax benefit to customers, yields the recovery
16 amount of \$2,298.97.

17 The surcharge, as approved by the Commission in Docket No. 04-53, was
18 established to share costs between customers and shareholders. This is
19 accomplished by amortizing the expenses in the ECY over a five year period with
20 customers being responsible for the net annual amortized costs and the
21 shareholders responsible for the carrying costs (interest) on the unamortized cost
22 balances. Customers also receive the benefits of the deferred taxes associated

1 with the unamortized remediation cost balances. Interest expense is not included
2 in the unamortized balances.

3 **14. Q: Please explain how the Environmental Surcharge Rider Rate is calculated.**

4 A: There are several time periods and factors used to calculate the
5 Environmental Surcharge Rider Rate. The definitions of those factors and time
6 periods are contained in Gas Tariff Leaf Nos. 79 and 80. The ECY was defined
7 earlier in this testimony. Other definitions include:

8 **Recovery Year**

9 The Recovery Year, as defined in Gas Tariff Leaf No. 80, is “each
10 November 1 through October 31 and is the time period in which the annually
11 calculated environmental rider rate will be billed to firm customers.” For
12 purposes of this filing, the Recovery Year will begin November 1, 2016 when
13 rates are proposed to go into effect, and will end on October 31, 2017.

14 **Reconciliation Factor**

15 The Reconciliation Factor, as defined in Gas Tariff Leaf No. 80, “shall be
16 equal to the over/under collection of the environmental cost rider. Over/under
17 collection is the accumulated experienced net over or under recovery of the
18 environmental costs during the twelve-month period ending with the month of
19 June immediately preceding the beginning of the next Recovery Year.” (Refer to
20 Schedule SAD-4 for the reconciliation of this year’s activity.)

21 **Amortization Factor**

22 The Amortization Factor, as defined in Gas Tariff Leaf No. 79, is
23 “recovery of net environmental costs incurred during an ECY will be

1 accomplished through a five-year amortization, offset by the tax benefit
2 associated with those environmental costs as defined below. A net annual
3 amortization amount will be calculated for each of the five years of amortization
4 scheduled for the ECY. The amortization factor for any year will be comprised of
5 the total net annual amount scheduled for that year.” (See Schedule SAD-5 for
6 these year-by-year details.)

7 The Environmental Surcharge Rider Rate, as defined in Gas Tariff Leaf
8 80, “shall be equal to the sum of the amortization and reconciliation factors
9 divided by projected firm sales over the next recovery period of November 1
10 through October 30.” The ‘projected firm sales’ are Delmarva’s estimated sales,
11 by customer classification, for the next recovery year. This estimate is included
12 in the annual Gas Cost Rate filing each year.

13 **15. Q: Please explain Schedule SAD-4.**

14 **A:** Schedule SAD-4 calculates the Reconciliation Factor, or the over/under
15 collection of the Environmental Surcharge Rider Rate, for the period that
16 preceded the recovery year in this filing. This schedule compares the projected
17 collections to the amount actually collected from customers for that period. As
18 illustrated on Schedule SAD-4, the Reconciliation Factor is an under-collection of
19 \$43,553.46. This Reconciliation Factor accounts for approximately 12.96% of
20 the proposed net amount to be recovered (as displayed on Schedule SAD-5).

21 **16. Q: Why does Schedule SAD-4 end with the period June 2016?**

22 **A:** Schedule SAD-4 is updated through the last month where actual collection
23 information is available, which at the time this Application was prepared was

1 June 2016. The period of July 2016 forward will be trued-up in Delmarva's next
2 annual ESR to be filed in August 2017.

3 **17. Q: Please explain Schedule SAD-5.**

4 **A:** Schedule SAD-5 is a summary of all of the ECY schedule recoveries.
5 This schedule illustrates a proposed total net recovery of \$336,096.63 for the
6 Recovery Year beginning November 1, 2016. This net recovery amount includes
7 an accumulation of the amortizations approved to this date. This includes:
8 \$22,483.28 for the fifth year amortization factor for the recovery year ending May
9 2012, plus \$91,825.97 for the fourth year amortization factor for the recovery year
10 ending May 2013, plus \$177,651.32 for the third amortization year for the
11 recovery year ending May 2014, plus \$166.08 for the second year amortization
12 factor for the recovery year ending May 2015, plus \$416.52 for the latest ECY of
13 June 2015 through May 2016 (calculated on Schedule SAD-3), and includes the
14 \$43,553.46 of under-collection through June 2016 as calculated on Schedule
15 SAD-4. A total of \$484,569.79 in remediation expenses remains uncollected at
16 the time of this filing. This calculation is reflected on the lower portion of
17 Schedule SAD-5.

18 **18. Q: Please explain the actual calculation of the rate on Schedule SAD-6.**

19 **A:** The total recovery amount of \$337,104.92, as calculated on Schedule
20 SAD-6, is grossed up by 0.3% in order to recover the Delaware Public Service
21 Commission assessment. This is the amount that Delmarva is permitted to collect
22 from customers. Schedule SAD-6 calculates the new ESR Rate level by dividing
23 the total recovery by the projected firm sales for the Recovery Year, 19,990,087

1 MCF, resulting in a rate of \$0.01686 per MCF, or \$0.00169 per CCF. The current
2 rate is \$0.00128 per CCF. An increase of \$0.00041 per CCF, results in a rate of
3 \$0.00169 per CCF. The net increase will be an increase of approximately \$0.05
4 on a customer's typical winter heating bill.

5 **19. Q: How did you develop the firm sales forecast in this filing for the calculation**
6 **of the ESR?**

7 A: The sales forecast used in the calculation of this rate was developed for
8 Delmarva's annual Gas Cost Rate (GCR) filing for the period November 1, 2016
9 through October 31, 2017, proposed to become effective November 1, 2016. The
10 sales forecast is discussed in the testimony of Delmarva's witness Robert W.
11 Brielmaier, and is found in the Gas Cost Rate filing titled, "Schedule RWB-1
12 2016-2017 GCR ESR Period Gas Sales Budget", also included herein with
13 schedules. There is only one Large Volume Service customer and the Qualified
14 Fuel Cell Provider (QFCP-RC), which is included on Schedule SAD-6.

15 **20. Q: Please identify the customers who are subject to the Environmental**
16 **Surcharge Rider Rate.**

17 A: The rider is applicable to all firm delivery service customers, including
18 classifications: Residential Gas Sales Service "RG", General Gas Sales Service
19 "GG", Medium Volume Gas Sales Service "MVG", Large Volume Gas Sales
20 Service "LVG", General Volume Firm Transportation "GVFT", Medium Volume
21 Firm Transportation "MVFT", and Large Volume Firm Transportation "LVFT",
22 and Large Volume Gas – Qualified fuel Cell Provider Renewable Capable "LVG-
23 QFCP-RC".

1 **21. Q: If approved, how would the proposed rates impact customers compared to**
2 **the ESR currently in effect?**

3 **A:** During the heating season, a typical residential customer who uses
4 approximately 120 CCF of natural gas during a winter month will see a \$0.05
5 increase on their overall bill. The increase for Commercial and Industrial
6 customers will be minimal.

7 **22. Q: Please explain the Delmarva's expectation of timing of this filing.**

8 **A:** Delmarva's Gas Tariff Leaf No. 79 states: "The Company will file with
9 the Commission a copy of the environmental surcharge rider computation at least
10 30 days prior to the proposed effective date of November 1." These Tariff leafs
11 were approved by the Commission in Docket No. 04-53. Therefore, with the
12 filing of this application on or before August 31, 2016, the requirement to file the
13 ESR computation at least 30 days prior to the effective date is met. Delmarva
14 proposes that the new rate go into effect on November 1, 2016, subject to refund,
15 after review and approval by the Commission.

16 **23. Q: Does this conclude your testimony?**

17 **A:** Yes.

Delmarva Power Light Company
2016 Annual Gas Environmental Surcharge Filing
PSC Docket No. 16-_____

Schedule SAD-1

Summary of Environmental Surcharge Rider To-Date

A B C D E F

Since the Environmental Surcharge Rider was established, the Delaware Public Service Commission has approved (or may approve with this filing) for the recovery by Delmarva Power the following amounts for remediation expenses at the three Wilmington subdivided sites, and the net amounts collected from Customers.

DOCKET NO.:	REMEDATION EXPENSES:	% OF TOTAL:	CUSTOMERS TO PAY:	CUSTOMER BENEFIT*:	PERIODS ENDING:
04-053	\$ 522,988.00	12.83%	\$ 475,442.33	\$ 47,545.67	May 31, 2003
04-484	\$ 55,751.00	1.37%	\$ 50,682.68	\$ 5,068.32	May 31, 2004
05-356	\$ 957,588.96	23.49%	\$ 870,533.01	\$ 87,055.95	May 31, 2005
06-283	\$ 798,811.76	19.59%	\$ 726,196.11	\$ 72,615.65	May 31, 2006
07-237	\$ 54,679.30	1.34%	\$ 49,779.84	\$ 4,899.46	May 31, 2007
08-267	\$ 18,913.20	0.46%	\$ 17,218.50	\$ 1,694.70	May 31, 2008
09-384	\$ 14,584.07	0.36%	\$ 13,277.28	\$ 1,306.79	May 31, 2009
10-290	\$ 43,732.82	1.07%	\$ 39,814.21	\$ 3,918.61	May 31, 2010
11-382	\$ 13,167.99	0.32%	\$ 12,004.15	\$ 1,163.84	May 31, 2011
12-420	\$ 112,416.42	2.76%	\$ 102,480.62	\$ 9,935.80	May 31, 2012
13-348	\$ 508,777.98	12.48%	\$ 409,481.68	\$ 99,296.30	May 31, 2013
14-296	\$ 971,862.01	23.84%	\$ 888,256.63	\$ 83,605.38	May 31, 2014
15-1333	\$ 953.46	0.02%	\$ 871.43	\$ 82.03	May 31, 2015
16-	\$ 2,515.36	0.06%	\$ 2,298.97	\$ 216.39	May 31, 2016
TOTALS:	\$ 4,076,742.33	100.00%	\$ 3,658,337.44	\$ 418,404.89	

* The Customer Benefit figures above reflect the dollar savings Customers received from the deferred taxes associated with the unamortized remediation cost balance, but does not reflect the carrying costs (interest) paid by the Company for the unamortized balances, or uncollected accounts. In addition, internal labor costs and associated benefits to manage the clean-up process and prepare this annual filing are not permitted to be included in this Environmental Surcharge Rider filing.

Delmarva Power Light Company
2016 Annual Gas Environmental Surcharge Filing
PSC Docket No. 16-___

Schedule of Environmental Expenses incurred during Environmental Cost Year (ECY) June 1, 2015 through May 31, 2016
Summary of Environmental Surcharge Rider To-Date

A	B	C	D	E	F	G	H	I
Wilmington Coal Gas Site - North (sold 3-15-2006)								
DATE:	VENDOR / REF.:	AMOUNT:	DATE:	VENDOR / REF.:	AMOUNT:	Wilmington Public Works Yard (sold 8/14/1984)		
	none	\$ -	08/11/15	AECOM	\$2,515.36		none	\$ -
Total North Site:		\$ -		Total South Site:	\$ 2,515.36		Total PWY Site:	\$ -
						TOTAL ALL SITES:		\$ 2,515.36

Delmarva Power Light Company
2016 Annual Gas Environmental Surcharge Filing
PSC Docket No. 16-___

Cost Recovery Schedule for
Environmental Cost Year
June 1, 2015 through May 31, 2016

	A	B	C	D	E	F	G	H
1	Expenses		2,515.36	1/				
2	Cost of Capital	\$	7.29%	2/				
3	Tax Rate		40.655%					
4	Adjusted Cost of Capital		10.58%					

1/ Costs as shown on Schedule SAD-2
 2/ Cost of Capital calculated from the Settlement Agreement in Docket No. 12-546
 3/ Amount to be recovered this year in addition to the four prior years previously approved. (Reference Schedule SAD-5)

Delmarva Power Light Company
2016 Annual Gas Environmental Surcharge Filing
PSC Docket No. 16-_____

Schedule of Over/Under Collection

A	B	C	D	E	F	G	H
Year	Month	Total Firm Estimated Throughput (mcf) 1/	ESR Rates	Rate Charged Net of PSC Assessment (mcf) 3/	Amount To be Recovered Net of PSC Assessment	Actual Recovery Net of PSC Assessment	(Over)/Under Recovery Net of PSC Assessment
1	2015	1/	705,330	\$ 0.01215	\$ 8,544.05	\$ 8,921.10	\$ (377.05)
2	2015	1/	753,206	\$ 0.01215	\$ 9,124.00	\$ 8,726.98	\$ 397.02
3	2015	1/	961,044	\$ 0.01215	\$ 11,641.65	\$ 8,734.98	\$ 2,906.67
4	2015	1/	945,493	\$ 0.01215	\$ 11,453.28	\$ 11,109.41	\$ 343.87
5	2015	2/	1,460,718	\$ 0.01282	\$ 18,670.23	\$ 15,474.29	\$ 3,195.94
6	2015	2/	2,311,447	\$ 0.01282	\$ 29,543.85	\$ 22,878.99	\$ 6,664.86
7	2016	2/	3,376,276	\$ 0.01282	\$ 43,154.01	\$ 32,685.95	\$ 10,468.06
8	2016	2/	3,321,888	\$ 0.01282	\$ 42,458.84	\$ 37,372.05	\$ 5,086.79
9	2016	2/	2,988,093	\$ 0.01282	\$ 38,192.43	\$ 30,826.99	\$ 7,365.44
10	2016	2/	2,002,707	\$ 0.01282	\$ 25,597.68	\$ 21,114.05	\$ 4,483.63
11	2016	2/	1,255,756	\$ 0.01282	\$ 16,050.50	\$ 13,510.70	\$ 2,539.80
12	2016	2/	865,274	\$ 0.01282	\$ 11,059.53	\$ 10,581.10	\$ 478.43
13	Total		20,947,232	\$	265,490.05	\$ 221,936.59	\$ 43,553.46

- 1/ Estimated throughput as shown in the Company's filing approved December 4, 2014 by Commission order No. 8680 in Docket No 14-296
2/ Estimated throughput as shown in the Company's filing approved November 24, 2015 by Commission order No. 8818 in Docket No 15-1333
3/ Rate charge is net of PSC Assessment (\$0.01215* .997 for July 2015 to October 2015 and \$0.01282* .997 for November 2015 to June 2016)

Deimaria Power Light Company
2016 Annual Gas Environmental Surcharge Filing
PSC Docket No. 16-____

Schedule of Summary of Environmental Cost Year Recoveries

A	B	C	D	E	F	G	H	I	J	K	L
Recovery Year Beginning	Environmental Cost Year Ending May-03 1/	Environmental Cost Year Ending May-04 2/	Environmental Cost Year Ending May-05 3/	Environmental Cost Year Ending May-06 4/	Environmental Cost Year Ending May-07 5/	Environmental Cost Year Ending May-08 6/	Environmental Cost Year Ending May-09 7/	Environmental Cost Year Ending May-10 8/	Environmental Cost Year Ending May-11 9/	Environmental Cost Year Ending May-12 10/	Environmental Cost Year Ending May-13 11/
1	Nov-03	\$ 85,679.33									
2	Nov-04	\$ 90,333.90	1								
3	Nov-05	\$ 95,098.47	2	\$ 130,716.09	1						
4	Nov-06	\$ 99,943.03	3	\$ 137,077.86	2	\$ 8,976.08					
5	Nov-07	\$ 104,997.60	4	\$ 145,239.22	3	\$ 9,486.02	1				
6	Nov-08		5	\$ 152,500.79	4	\$ 9,955.97	2				
7	Nov-09		6	\$ 162,812.20	5	\$ 10,445.91	3				
8	Nov-10		7	\$ 169,767.35	6	\$ 10,936.86	4				
9	Nov-11		8			\$ 10,936.86	5				
10	Nov-12		9			\$ 10,936.86	6				
11	Nov-13		10			\$ 10,936.86	7				
12	Nov-14		11			\$ 10,936.86	8				
13	Nov-15		12			\$ 10,936.86	9				
14	Nov-16		13			\$ 10,936.86	10				
15	Nov-17		14			\$ 10,936.86	11				
16	Nov-18		15			\$ 10,936.86	12				
17	Nov-19		16			\$ 10,936.86	13				
Total	\$ 475,442.33	\$ 50,682.88	\$ 870,533.01	\$ 726,196.11	\$ 49,779.84	\$ 17,216.50	\$ 13,277.28	\$ 39,814.21	\$ 12,004.15	\$ 102,490.60	\$ 409,481.68

Recovery Year Beginning	M	N	O	P	Q	R
Recovery Year Beginning	Environmental Cost Year Ending May-14 12/	Environmental Cost Year Ending May-15 13/	Environmental Cost Year Ending May-16 14/	(Over)/Under Recovery 15/	Total To Be Recovered Nov-16 - Oct-17 Recovery Year	(Over)/Under Recovery as % of Total
Nov-03	\$ 160,930.25	\$ 167.88	\$ 416.52	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-04	\$ 168,280.73	\$ 166.09	\$ 438.15	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-05	\$ 177,851.32	\$ 174.28	\$ 459.15	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-06	\$ 186,111.81	\$ 182.48	\$ 481.43	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-07	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-08	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-09	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-10	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-11	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-12	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-13	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-14	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-15	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-16	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-17	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-18	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-19	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Nov-20	\$ 194,372.41	\$ 190.70	\$ 503.03	\$ 43,953.48	\$ 336,096.63	12.96%
Total	\$ 888,258.63	\$ 871.43	\$ 2,288.97	\$ 43,953.48	\$ 336,096.63	12.96%

- 1/ Environmental Cost Year Recovery as shown in the Company's filing approved April 20, 2004 by Commission Order No. 6401 in Docket No. 04-53
2/ Environmental Cost Year Recovery as shown in the Company's filing approved May 24, 2005 by Commission Order No. 6628 in Docket No. 04-384
3/ Environmental Cost Year Recovery as shown in the Company's filing approved April 25, 2006 by Commission Order No. 6859 in Docket No. 05-356
4/ Environmental Cost Year Recovery as shown in the Company's filing approved June 17, 2007 by Commission Order No. 7145 in Docket No. 06-283
5/ Environmental Cost Year Recovery as shown in the Company's filing approved June 17, 2008 by Commission Order No. 7407 in Docket No. 07-237
6/ Environmental Cost Year Recovery as shown in the Company's filing approved December 22, 2009 by Commission Order No. 7666 in Docket No. 08-267
7/ Environmental Cost Year Recovery as shown in the Company's filing approved December 22, 2009 by Commission Order No. 7716 in Docket No. 09-384
8/ Environmental Cost Year Recovery as shown in the Company's filing approved November 11, 2010 by Commission Order No. 7858 in Docket No. 10-290
9/ Environmental Cost Year Recovery as shown in the Company's filing approved November 11, 2011 by Commission Order No. 8041 in Docket No. 11-382
10/ Environmental Cost Year Recovery as shown in the Company's filing approved November 15, 2012 by Commission Order No. 8240 in Docket No. 12-420
11/ Environmental Cost Year Recovery as shown in the Company's filing approved December 4, 2013 by Commission Order No. 8466 in Docket No. 13-348
12/ Environmental Cost Year Recovery as shown in the Company's filing approved December 4, 2014 by Commission Order No. 8680 in Docket No. 14-296
13/ Environmental Cost Year Recovery as shown in the Company's filing approved November 24th, 2015 by Commission Order No. 8818 in Docket No. 15-1353
14/ Reference Schedule SAD-3
15/ Reference Schedule SAD-4

Balances to be collected in future periods above:

Nov-17	\$ 298,379.80
Nov-18	\$ 155,014.69
Nov-19	\$ 672.13
Nov-20	\$ 503.08
Total:	\$ 454,569.70

Delmarva Power Light Company
2016 Annual Gas Environmental Surcharge Filing
PSC Docket No. 16-_____

Schedule SAD-6

Environmental Surcharge Rider Rate Calculation

A	B	C	D	E	F	G	H	I	J	K
Projected Sales in mcf										
Month	Residential Service	General Service	Medium Volume Service	LVG-QFCP-RC Volume Service	Total Firm Sales	Firm Transportation	Total Firm Throughput	Recovery at \$ 0.01686	Recovery Net of PSC Assessment	PSC Assessment
Nov-16	1/ 543,692	266,736	13,029	147,807	971,264	486,449	1,457,713	\$ 24,582.30	\$ 24,508.77	\$ 73.53
Dec-16	1/ 1,141,903	561,666	25,660	158,650	1,887,879	582,507	2,470,386	\$ 41,659.61	\$ 41,535.01	\$ 124.61
Jan-17	1/ 1,553,128	657,997	34,375	162,806	2,408,306	790,991	3,199,297	\$ 53,951.68	\$ 53,790.31	\$ 161.37
Feb-17	1/ 1,464,784	645,553	30,506	146,177	2,287,020	679,540	2,966,560	\$ 50,026.89	\$ 49,877.26	\$ 149.63
Mar-17	1/ 1,416,447	637,619	29,023	157,106	2,240,195	665,928	2,906,123	\$ 49,007.71	\$ 48,861.13	\$ 146.58
Apr-17	1/ 801,876	367,834	21,014	142,800	1,333,524	519,296	1,852,820	\$ 31,245.22	\$ 31,151.77	\$ 93.46
May-17	1/ 367,716	188,120	9,656	147,560	713,052	419,233	1,132,285	\$ 19,094.41	\$ 19,037.29	\$ 57.11
Jun-17	1/ 195,038	140,128	6,532	142,800	484,498	304,515	789,013	\$ 13,305.60	\$ 13,265.81	\$ 39.80
Jul-17	1/ 136,475	115,480	4,424	147,560	403,939	304,462	708,401	\$ 11,946.19	\$ 11,910.46	\$ 35.73
Aug-17	1/ 127,088	101,493	3,789	147,560	379,930	345,640	725,570	\$ 12,235.73	\$ 12,199.13	\$ 36.60
Sep-17	1/ 142,930	119,663	4,502	142,800	409,895	342,709	752,604	\$ 12,691.62	\$ 12,653.66	\$ 37.96
Oct-17	1/ 269,707	174,388	5,832	148,367	598,294	431,021	1,029,315	\$ 17,357.96	\$ 17,306.04	\$ 51.92
Totals	8,160,784	3,976,677	188,342	1,791,993	14,117,796	5,872,291	19,990,087	\$ 337,104.92	\$ 336,096.63	\$ 1,008.29
<div> <div>119,548 Residential Customers as of July 2016</div> <div>68 Average annual usage (MCF)</div> <div>\$ 1.15 Average annual ESR cost (current rate of \$0.01686)</div> </div>										

Rate Calculation:

Subtotal to be Recovered (Nov. 1, 2016 to Oct. 31, 2017 - Sched. SAD-5)

PSC Assessment added at:

Total Recovery including PSC Assessment

Firm Throughput (mcf)

Proposed Rate per mcf

Rate Currently in Effect per ccf

Typical monthly heating bill impact on 120 ccf residential customer

\$ 336,096.63
0.30%
\$ 337,104.92
19,990,087
\$ 0.01686
\$ 0.00169
\$ 0.00128
\$ 0.05

1/ The Sales Forecast is from the Company's GCR filing submitted on August 26, 2016 from Schedule RWB-1 Adjusted as follows:
Schedule RWB-1 (page 2 of 3)
18,252,687
Plus: LVG-QFCP-RC 1,737,400
(MCF) 19,990,087

Delmarva Power Light Company

2016 - 2017 GCR ESR Period Gas Sales Budget

Firm Bundled Sales							
	RES	RSH	GL	GG	MVG	LVG	Total
Aug-16	7,930	112,064	17	101,167	3,812	-	224,990
Sep-16	8,459	131,609	17	119,156	4,469	-	263,710
Oct-16	10,850	207,304	17	152,681	5,077	-	375,929
Total	27,239	450,977	50	373,004	13,358	-	864,628
Nov-16	22,421	521,254	17	266,736	13,029	5,007	828,464
Dec-16	38,805	1,103,081	17	561,666	25,660	11,090	1,740,319
Jan-17	52,519	1,500,592	17	657,997	34,375	15,246	2,260,746
Feb-17	51,512	1,413,255	17	645,553	30,506	12,897	2,153,740
Mar-17	47,348	1,369,082	17	637,619	29,023	9,546	2,092,635
Apr-17	32,119	769,740	17	367,834	21,014	-	1,190,724
May-17	19,284	348,415	17	188,120	9,656	-	565,492
Jun-17	11,984	183,037	17	140,128	6,532	-	341,698
Jul-17	11,723	124,735	17	115,480	4,424	-	256,379
Aug-17	10,688	116,383	17	101,493	3,789	-	232,370
Sep-17	10,374	132,539	17	119,663	4,502	-	267,095
Oct-17	12,605	257,085	17	174,388	5,832	807	450,734
Total	321,382	7,839,198	204	3,976,677	188,342	54,593	12,380,396
Comparison to August 2015 GCR & ESR forecast for 15-16 GCR period:							
Total	279,241	8,143,312	204	4,211,775	203,092	-	12,837,624
Change	42,141	(304,114)	-	(235,098)	(14,750)	54,593	(457,228)
%Change	13.1%	-3.9%	0.0%	-5.9%	-7.8%	100.0%	-3.7%

Delmarva Power Light Company

2016 - 2017 GCR ESR Period Gas Sales Budget

all in mcf	Firm Transportation			Firm Throughput
	GVFT	MVFT	LVFT	Total
Aug-16	25,658	67,834	290,368	383,860
Sep-16	27,283	73,301	276,789	377,373
Oct-16	50,422	87,109	290,761	428,292
Total	103,363	228,244	857,918	1,189,525
Nov-16	65,231	107,628	313,590	486,449
Dec-16	78,833	124,828	378,846	582,507
Jan-17	131,102	169,982	489,907	790,991
Feb-17	103,050	138,998	437,492	679,540
Mar-17	82,290	125,817	457,821	665,928
Apr-17	57,480	104,914	356,902	519,296
May-17	35,624	86,314	297,295	419,233
Jun-17	22,755	68,104	213,656	304,515
Jul-17	20,990	66,416	217,056	304,462
Aug-17	23,140	73,481	249,019	345,640
Sep-17	25,534	70,508	246,667	342,709
Oct-17	51,465	99,970	279,586	431,021
Total	697,494	1,236,960	3,937,837	5,872,291
				18,252,687

Comparison to August 2015 GCR & ESR forecast for 15-16 GCR period:

Total	794,303	1,326,161	4,177,613	6,298,077	19,135,701
Change	(96,809)	(89,201)	(239,776)	(425,786)	(883,014)
%Change	-13.9%	-7.2%	-6.1%	-7.3%	-4.8%

Delmarva Power Light Company

2016 - 2017 GCR ESR Period Gas Sales Budget

all in mcf	Interruptible Transportation				Total Transportation	Total Delivery Sales
	MVIT	LVIT	Total IT	FPS		
Aug-16	22,156	20,889	43,045	-	426,905	651,895
Sep-16	21,172	9,464	30,636	-	408,009	671,719
Oct-16	27,255	15,411	42,666	-	470,958	846,887
Total	70,583	45,764	116,347	-	1,305,872	2,170,500
Nov-16	25,667	28,658	54,325	-	540,774	1,369,238
Dec-16	23,838	26,068	49,906	-	632,413	2,372,732
Jan-17	16,907	49,485	66,392	-	857,383	3,118,129
Feb-17	12,804	36,057	48,861	-	728,401	2,882,141
Mar-17	19,350	32,534	51,884	-	717,812	2,810,447
Apr-17	20,523	23,393	43,916	-	563,212	1,753,936
May-17	21,532	19,362	40,894	-	460,127	1,025,619
Jun-17	18,361	18,611	36,972	-	341,487	683,185
Jul-17	17,704	13,378	31,082	-	335,544	591,923
Aug-17	19,470	21,051	40,521	-	386,161	618,531
Sep-17	21,921	11,855	33,776	-	376,485	643,580
Oct-17	28,548	26,157	54,705	-	485,726	936,460
Total	246,625	306,609	553,234	-	6,425,525	18,805,921

Comparison to August 2015 GCR & ESR forecast for 15-16 GCR period:

Total	224,001	280,252	504,253	-	504,253	19,639,954
Change	22,624	26,357	48,981	-	48,981	(834,033)
%Change	9.2%	8.6%	8.9%	-	8.9%	-4.4%